
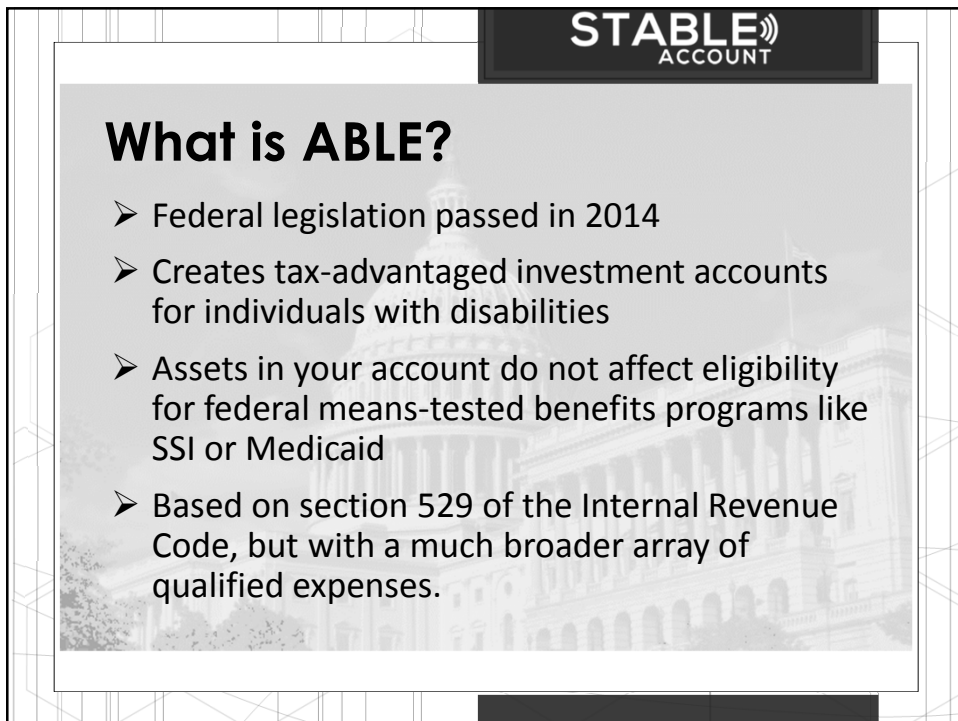


**VERMONT
ABLE**

 **STABLE**
ACCOUNT

Vermont's ABLE Plan:
Offered in Partnership with
STABLE Accounts


www.VermontABLE.com



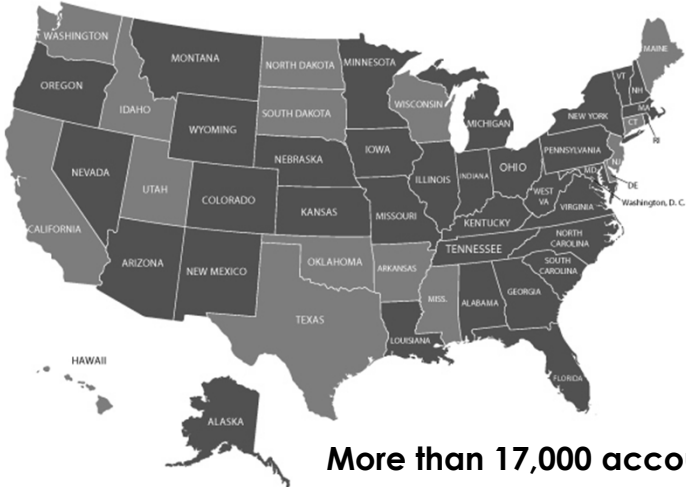
STABLE
ACCOUNT

What is ABLE?


- Federal legislation passed in 2014
- Creates tax-advantaged investment accounts for individuals with disabilities
- Assets in your account do not affect eligibility for federal means-tested benefits programs like SSI or Medicaid
- Based on section 529 of the Internal Revenue Code, but with a much broader array of qualified expenses.



National Landscape




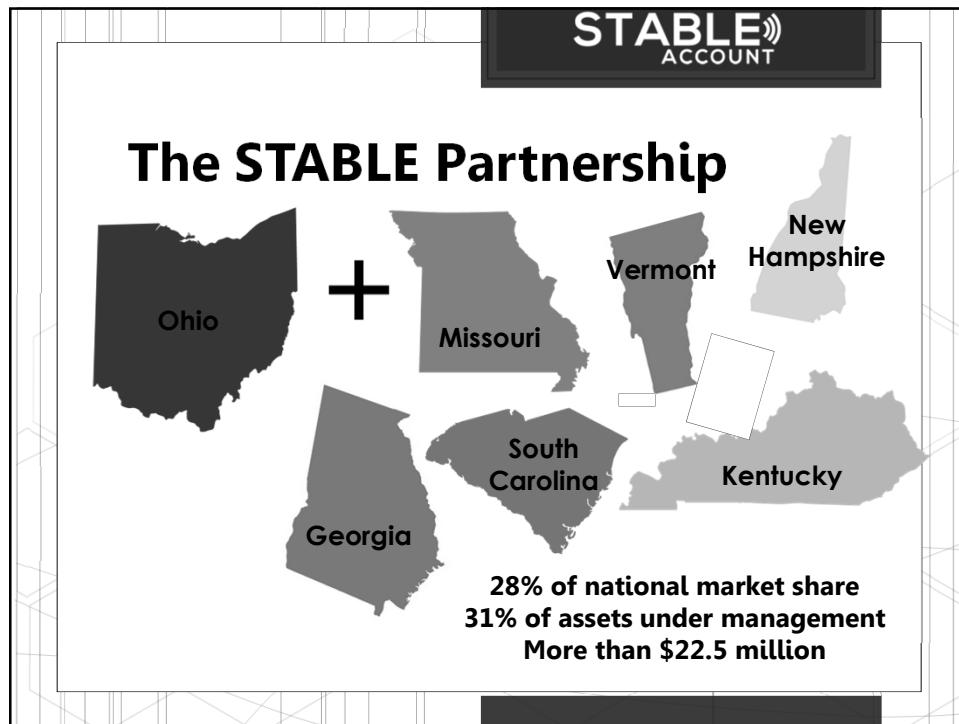
More than 17,000 accounts



What is VermontABLE?

- Vermont's ABL Plan
- Offered to Vermonters through a partnership with STABLE Accounts and the Ohio Treasurer's Office
- Allows Vermonters to open STABLE Accounts at discounted rates
- Vermont legislation passed in the 2015 Session
- Administered by Vermont Treasurer, Beth Pearce
- Launched February 22, 2017





STABLE
ACCOUNT

Benefits of VT-ABLE

- Empowering:
 - Account is owned by the individual with the disability
 - Supports financial independence
- Dramatically increases the ability to save
 - Before ABLE, individuals could only save around \$2,000 of their own money before loss of SSI
- Provides a new investment opportunity for a population largely unbanked or underbanked
- Earnings are free from federal and Vermont state income tax



Who Can Use VermontABLE?

- Eligibility Quiz at www.VermontABLE.com
- Limit of 1 Account per person
- Individuals with disabilities that occurred prior to age 26
- Must be a Vermont resident
- Must also meet one of three criteria:
 1. Eligible to receive SSI or SSDI due to disability;
 2. Have a condition listed on SSA's "*List of Compassionate Allowances Conditions*"; **or**
 3. Self-certification



Self Certification

- Need diagnosis of a physical or mental impairment that causes "*marked and severe functional limitations.*"

Such as conditions in the SSA's *Blue Book*
- Certify that the condition has lasted or is expected to last for at least 1 year.
- When enrolling, provide physician name, address, and date of diagnosis.
- Do not need to send in written diagnosis, but must have documentation on hand.



STABLE ACCOUNT


Enrollment

- Online Enrollment
- Free & takes 20 minutes
- \$50.00 minimum opening deposit
- Can be done by individual with disability ("Beneficiary") or an Authorized Legal Representative (*ALR)

STABLE ACCOUNT

Funding your Account

- **Contributions**
 - ✓ Via Electronic Funds Transfer or check
 - ✓ \$14,000 annual limit
 - ✓ \$445,000 lifetime limit
 - ✓ System automatically rejects excess contributions
- **Gifting**
 - ✓ Create an eGift Event (birthday, holiday, etc.) ~ system will send an email to friends and family
 - ✓ System tracks contributors for sending thank-you notes/replies



STABLE
ACCOUNT

Investment Options

You can choose between

- 4 Vanguard mutual funds ranging from aggressive to conservative

- OR -


- One FDIC-Insured Option that is Principal protected

STABLE
ACCOUNT

How Can You Spend VT-ABLE funds?

Withdrawals must be “Qualified Disability Expenses”. Anything that (1) relates to your disability and (2) helps to maintain or improve your health, independence, or quality of life

✓ Housing and Rent	✓ Education
✓ Basic Living Expenses	✓ Transportation
✓ Medical Bills	✓ Assistive Technology
✓ Legal Expenses	✓ Financial Fees
✓ Employment Support	✓ Burial Expenses



STABLE
ACCOUNT

Non-Qualified Expenditures

Not illegal, but there are consequences...

Affects Benefits:

- The amount of the expenditure *may* now be considered a countable resource (but not necessarily)

Tax Penalties:

- Pay taxes plus 10% penalty on the earnings portion of the withdrawal



**Take the
Expense Quiz**

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ACCOUNT


Spending From Your Account


Withdrawals

- Free + No Limits
- VT-ABLE will not ask what you spend on, but benefits agencies and the IRS can
- Transfer to personal checking or savings
- Bill-pay by writing a third-party check
- Transfer to STABLE Card

STABLE
ACCOUNT

STABLE Card






- Loadable debit card
- Vendor does not pull directly from account
- Online spending records + notate expenses
- No commingling of funds with other accounts
- Protection – limiting of merchants, no cash access, no overdraft
- Text alerts to monitor spending, low balances

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Account Cost

Monthly Maintenance Fee	Asset-based Fees
\$3.50/month (\$42.00 Annually)	Between 0.19% and 0.34%



STABLE
ACCOUNT

As of
March 20, 2018


134 Enrolled

Average Account
Balance \$3,970

Assets Under
Management
\$444,786

STABLE
30% of market share

How is VermontABLE Doing?



Special Considerations

A deeper dive into ABLE benefits

STABLE
ACCOUNT

**HAPPY
NEW YEAR**

Big Changes in 2018

- **Annual Contribution Limit:** \$15,000
- **ABLE to Work Act**
Some working account holders may be contribute as much as \$12,060 *more* in earnings. Guidance is pending.

STABLE ACCOUNT

➤ **ABLE Financial Planning Act**

An individual who has both a 529 college savings account and an ABLE Account may transfer funds without penalty.

➤ **Savers Tax Credit**

Individuals who contribute to their own ABLE account can now take advantage of the Retirement Savings Contribution Tax Credit; the same as if they contributed to an IRA or a 401(k).



Housing

- If you hold on to the money from one calendar month to the next, then the amount spent on housing counts as resource for SSI.
- *Beneficiary must spend housing money in the same month as it was withdrawn.*



STABLE ACCOUNT

SSI Considerations

- Balances over \$100,000 count as a resource – but SSI is merely suspended, not terminated
 - *(Your STABLE account balance will not affect Medicaid benefits, though, regardless of the amount)*
- Beneficiary's own wages still count as income by Social Security even when contributed to the STABLE Account

STABLE ACCOUNT



Medicaid Considerations

CMS has recently confirmed:

- State Medicaid agencies must disregard all funds in an ABL Account in determining the resource eligibility of Medicaid applicants.
- Earnings (interest), third party contributions, and distributions from a special needs or pooled trust deposited to an ABL account are disregarded as income.
- Distributions from an ABL Account are not considered taxable income and they are not counted as income in determining Medicaid eligibility as long as they are spent on a qualified expense.

STABLE ACCOUNT

If Beneficiary Passes Away

- Account will pass to the account holder's estate
 - The estate administrator notifies STABLE and can take over account access
 - Account will go through normal probate process
- State Medicaid Programs can seek to recover the cost of some Medicaid benefits paid on the beneficiary's behalf during the beneficiaries lifetime.
- State have some discretion but at this time a Medicaid payback is likely. PA has eliminated the payback; CA is considering legislation.

STABLE ACCOUNT

If Beneficiary Passes Away

- Medicaid Payback is only from date the account was opened
- *Medicaid does not get first bite at the apple.* The estate can first:
 - Pay any outstanding bills for QDEs
 - Pay for funeral and burial expenses
 - Deduct Medicaid Buy-In premiums you paid
- Money in a STABLE account is better protected from Medicaid payback than money in other bank accounts

STABLE
ACCOUNT

STABLE vs. Special Needs Trust

- Complement, not competition, but...
- Some benefits specific to STABLE Accounts:
 - ✓ Cost-Effective
 - ✓ Broader spending power (i.e. housing)
 - ✓ Easy account access/closure
 - ✓ No federal or VT state income tax on earnings
 - ✓ No separate returns to file
 - ✓ Can be established, administered, and owned by individual with disability

STABLE
ACCOUNT

Helpful Resources

Customer Service
team@stableaccount.com
1-800-439-1653

Monday to Friday
9:00 am-6:00pm EST

www.VermontABLE.com

National ABL Resource
Center
www.ablenrc.org

